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VIETNAM IDENTIFIES INSTITUTIONAL IMPROVEMENTS TO FACILITATE TRADE

Hanoi, March 23 – U.S. and Vietnamese officials and representatives from the business community met today to outline priority legal reforms to enable implementation of the Vietnam National Single Window for customs clearance. The meeting was supported by the U.S. Government in partnership with Vietnam Customs and the Association of Southeast Asian Nations (ASEAN) Secretariat.

The U.S. Agency for International Development's Regional Development Mission for Asia sponsored the legal research on the Vietnam National Single Window (VNSW). The Government aims to implement the VNSW to streamline cargo clearance and enhance trade efficiency by 2012 as part of the regional effort to create an ASEAN Single Window.

A single window allows traders to electronically submit forms for export, import, and transit procedures only once, and they are processed and cleared by multiple government agencies in a single integrated process. As a result, cost and time savings for business are substantial. The World Bank *Doing Business* survey estimates the number of days to import and export in Singapore, a country with an established single window, at 4 and 5 days, respectively. In Vietnam, it takes an average of 21 days to import and 22 to export.

Efficient clearance of goods requires seamless electronic exchange of cargo clearance documents, which, in turn, requires a robust legal framework. For example, legislation must be in place to authorize the use of electronic documents for public, private and commercial transactions. It must also enable the electronic transmission of customs and trade data to other ASEAN Member States. In the case of disputes, traders must know if electronic documents and messages are accepted in the judicial system in place of paper documents.

"We strongly believe that a single window for more efficient customs clearance will pay significant dividends in increasing Vietnam's global competitiveness, said Mr. Nguyen Manh Tung, Director, Viet Nam Customs Modernization Board.

The report notes that "Vietnam has made strong progress in the modernization of its laws for electronic transactions." The report also points out several key recommendations for improving the legal environment for the VNSW, including issuing rules on legal recognition of electronic evidence, and confidentiality and security of data for cross-border transactions.

The legal assistance expands on previous U.S. support to the Government of Vietnam to launch and plan its National Single Window development IN 2009.